

**MINUTES of
The Virginia Soil and Water Conservation Board**

Friday, January 21, 2005
Natural Resources Conservation Service
Richmond, Virginia

Virginia Soil and Water Conservation Board Members Present

David L. Moyer, Chairman
Susan Taylor Hansen
M. Denise Doetzer

Joseph H. Maroon
Granville M. Maitland

Virginia Soil and Water Conservation Board Members Not Present

Linda S. Campbell
Robert M. Hall
Richard McNear

Benjamin H. Graham
W.P. Johnson
Jean R. Packard

Staff

William G. Browning
Michael R. Fletcher
Lee Hill

David C. Dowling
Jack E. Frye
Mark B. Meador

Call to Order

Chairman Moyer called the meeting to order at 11:27 a.m. He noted that due to the inclement weather there was not a quorum present. He thanked those members in attendance. He also thanked Mr. Maitland for chairing the December meeting.

Minutes of December 8, 2004 Meeting

As there was no quorum, minutes of the December 8, 2004 meeting were not addressed.

Director's Report

Mr. Maroon gave the Director's report. He reviewed pending legislation that would affect the agency and the Board. (A copy of the report is attached as Attachment #1).

One of the bills discussed at length was Delegate Lingamfelter's HB 2290.

HB 2290 Soil Quality Improvement, Commission; created, report.

Establishes a 21-member Commission on Soil Quality Improvement. The purpose of the Commission is to evaluate the potential for adopting soil quality improvement approaches designed to address agricultural nonpoint source pollution control measures. Among the Commissions duties are to (i) evaluate the degree to which various approaches to improve soil quality will enable Virginia to cost-effectively meet water quality goals while improving the overall competitiveness of agriculture and agribusiness in the Commonwealth, (ii) recommend policies to the General Assembly to achieve soil improvements, and (iii) develop outreach programs to inform farmers on the environmental and economic benefits of adopting practices that improve soil quality.

House Patrons: Lingamfelter and Bryant

Status: Referred to House Agriculture, Chesapeake and Natural Resources

This bill would establish a 21-member Commission on Soil Quality Improvement that would have many of the same powers and duties as the Virginia Soil and Water Conservation Board. Discussions with the patron indicated that he would be willing to consider striking the bill should the Soil and Water Conservation Board be willing to address the issues outlined in the bill.

Mr. Frye distributed a draft motion for the Board's consideration relative to HB2290. That motion read as follows:

MOTION BY THE VIRGINIA SOIL AND WATER CONSERVATION BOARD

WHEREAS, the Chesapeake Bay Nutrient and Sediment Tributary Strategy and the associated nonpoint source implementation plans developed by the Department of Conservation and Recreation (DCR) to address the 2010 water quality goals will require increased emphasis on targeted approaches, cost-effective practices, and increased outreach efforts; and

WHEREAS, there has been recent legislative interest for increased statewide attention in water quality improvements and soil quality improvement approaches as demonstrated by the introduction of numerous bills in the 2005 Session including House Bill 2290 by Delegate L. Scott Lingamfelter; and

WHEREAS, there has been for over 15 years a long-standing advisory committee to assist DCR with the effective implementation of the agricultural best management practice (BMP) incentive programs including the Agricultural BMP Cost-Share Program, with members of the committee representing 19 agencies and organizations representing agricultural and conservation interests; and

WHEREAS, a study of soil and water conservation districts (SWCDs) and their efforts to carry out the agricultural cost-share program was directed by the 2004 legislature and is underway by DCR and the Virginia Soil and Water Conservation Board (VSWCB) and will be completed by the end of 2005; and

WHEREAS, DCR has established separate agricultural BMP cost-share program agreements with the 47 SWCDs in 2004 which support improved targeting of state cost-share dollars, now, therefore, be it

RESOLVED that the VSWCB shall assist DCR in addressing the actions identified in House Bill 2290 and in the Chesapeake Bay Nutrient and Sediment Tributary Strategy and the associated nonpoint source implementation plans by;

1. Working cooperatively with agricultural and agribusiness interests, local, state and federal partners, conservation organizations and soil and water conservation districts in developing an effective information and outreach program to better inform farmers about the environmental and economic benefits of adopting certain agricultural best management practices that improve soil and water quality across Virginia and advance the Chesapeake Bay 2010 nutrient and sediment reduction goals; and
2. Periodically reviewing and advising the Director of DCR on Virginia's existing Agricultural BMP cost-share and tax incentive programs to ensure that the most cost-effective practices are included and prioritized for promotion, utilization and funding; and
3. Reviewing the agricultural related goals that need to be achieved under Virginia's Chesapeake Bay Nutrient and Sediment Tributary Strategy and the associated nonpoint source implementation plans and advising DCR on actions necessary to met those goals; and
4. Recommending to the Governor, the General Assembly and the Department of Conservation and Recreation policies to assist farmers statewide in adopting such practices to achieve soil and water quality improvements.

As there was no quorum, a vote was not taken on this measure. Those members in attendance agreed by consensus to support the motion with some revisions. Staff was given suggestions for revisions and asked to bring this back to the March meeting for full consideration.

The Board also discussed HB 1655.

HB 1655 Income tax, state and corporate; credit for purchase of conservation tillage equipment.

Increases the cap on the individual and corporate income tax credits for purchase of conservation tillage equipment from \$2,500 to \$4,000, and clarifies the definition of "conservation tillage equipment."

House Patrons: Lingamfelter, Athey, Bryant, Cole, Janis, Landes and Scott, E.T.

Status: Reported from House Finance with amendments

One of the issues identified with the bill is that it defines all "rippers" as conservation tillage equipment. The Board requested the Department work with the patron to improve the bill.

District Study Update

Mr. Meador reviewed a copy of the Interim Report entitled "Review and Analysis of Agricultural Water Quality Improvement Programs Delivered by Virginia's Soil and Water Conservation Districts." A copy of this interim report is available from DCR.

Mr. Meador reviewed the study focus for the remainder of 2005:

- Seek to analyze and assess agricultural BMP effectiveness to enhance programs implemented by SWCDs that improve water quality;
- Work to identify indicators of SWCD effectiveness related to implementation of agricultural BMPs;
- Identify and recommend improvement and enhancements as needed to the statewide system of SWCD program delivery of agricultural BMPs; and
- Identify and recommend improvement and enhancements relating to the expenditure of state general fund dollars for agricultural cost-share programs.

Mr. Maroon noted that this was an interim report to give members a sense of where the project is heading. He asked if the Board would like additional time to review the report before moving ahead with its submission.

Mr. Moyer said that he was comfortable with the subcommittee reviewing the report and having the report move ahead. Members present agreed by consensus.

Dam Safety Ad Hoc Committee Update

Mr. Browning gave an update on the Dam Safety Ad Hoc Committee. The committee has met twice.

Mr. Moyer thanked DCR and Mr. Browning for facilitating the meeting. He noted it was helpful having the facilitators from UVA.

Mr. Browning distributed a packet of information regarding the committee meeting. A copy of this information is available from DCR.

Stormwater Management Update

Mr. Hill gave an update on stormwater management activities.

DCR submitted a delegation package to EPA on October 12, 2004 requesting approval to transfer the permitting program for construction and MS4 stormwater discharges from DEQ to DCR. EPA approved the transfer on December 30, 2004. DCR will assume that program on January 29, 2005. There are 15 new positions for the stormwater management program.

Staff is working on the online registration program.

Mr. Maroon noted that this was the first phase of the program. The second will involve transferring permitting authority to localities with EPA's approval. Board members will be asked to take follow up actions.

Urban Programs Report

Mr. Hill said that Fairfax County has held a public meeting and has developed a draft plan on how best to dredge Lake Martin.

DCR staff are moving ahead with review for utility companies. Additionally, the Board approved a list of 32 programs to be reviewed in 2005. That is underway.

Other Business

Mr. Meador distributed a handout entitled "Funds Available for Maintenance, Repair & Rehabilitation of SWCD Dams."

Fund Type; Appropriation Guidance	Oversight Organization	FY05	FY06
"Included in the amounts for Assistance to SWCDs is \$200,000 the first year and \$50,000 the second year from the general fund for the SWCD Dam Maintenance, Repair and Rehabilitation Fund (§ 10.1-611.1, Code of Virginia) to address needs of dams operated by SWCDs	§10.1-611.1 B. "The Fund shall be administered and managed by the DCR subject to the right of the Board, following consultation with the DCR, to direct the distribution of moneys in the Fund to particular SWCDs	\$200,000	\$50,000
DCR 2004-2006 Base Budget From monies appropriated to DCR an additional dam safety engineer will be employed with remaining funds devoted to "the repair needs for the highest hazard: SWCD dams	DCR	\$100,000*	\$250,000*
Previous sessions of the General Assembly have made special appropriations to rehabilitation of the highest hazard SWCD dams. Following completion of Marrowbone dam in Henry County rehabilitation of the next highest hazard SWCD will follow.	§10.1-611.B. "The Fund shall be administered and managed by the DCR subject to the right of the Board, following consultation with the DCR, to direct the distribution of moneys in the Fund to particular SWCDs.	\$987,247 (6/30/04 balance)	Unspent balance can be carried forward

* Amounts above remain after costs for the dam safety inspector expenses have been deducted.

Mr. Meador noted that without objection from members present, DCR plans to move ahead with the distribution.

The Board concurred with Mr. Meador's statement.

Partner Agency Reports

Department of Conservation and Recreation

Mr. Frye gave the report for the Department of Conservation and Recreation. A copy is attached as Attachment #2.

Natural Resources Conservation Service

Ms. Doetzer gave the report for for the Natural Resources Conservation Service. A copy is attached as Attachment #3.

Public Comment

There was no public comment.

Next Meeting

The next meeting of the Virginia Soil and Water Conservation Board will be held on Thursday, March 17, 2005. The location will be announced.

Adjourn

There being no further business, the meeting was adjourned.

Respectfully submitted,

David L. Moyer
Chairman

Joseph H. Maroon
Recording Secretary

Attachment #1

Department of Conservation and Recreation 2005 Session - Legislative Highlights

HB 1655 Income tax, state and corporate; credit for purchase of conservation tillage equipment.

Increases the cap on the individual and corporate income tax credits for purchase of conservation tillage equipment from \$2,500 to \$4,000, and clarifies the definition of "conservation tillage equipment."

House Patrons: Lingamfelter, Athey, Bryant, Cole, Janis, Landes and Scott, E.T.

Status: Reported from House Finance with amendments

HB 1790 Nutrient management; state governmental entities to develop and implement plan.

Requires state governmental entities that own or lease land upon which nutrients are applied to develop and implement a nutrient management plan by July 1, 2006. The plans are submitted to the Department of Conservation and Recreation for review and approval every three years. Each plan has to be developed by a certified nutrient planner. The Department may provide technical assistance to state governmental agencies in developing and implementing their plans and is authorized to charge a fee to cover a portion of the cost of the services rendered.

House Patron: Cox

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 1890 Soil and water conservation districts; duties of directors.

Enumerates seven new responsibilities of soil and water conservation district directors, including: (i) identification of soil, water and natural resources issues; (ii) engaging in actions that will improve natural resources stewardship through the use of locally led programs; (iii) increasing understanding of the threats to natural resources; and (iv) participation in activities of the district and ensuring that district resources are used effectively and managed wisely.

House Patrons: Ware, R.L. and Athey

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 1971 Poultry waste management; changes phosphorus application rates.

Changes the standard for the amount of phosphorous from poultry waste that can be applied on farmland. Currently nutrient management plans for poultry waste are to include phosphorus application rates that are equal to the capacity of a crop to remove phosphorus from the soil. This bill requires that phosphorus applications for nutrient management plans will have to conform to regulatory criteria and standards adopted by the Department of Conservation and Recreation (DCR). The application rates contemplated by DCR would take into account such factors as the soil's phosphorus level, the slope of the land, farming practices, and the proximity of the land to streams.

House Patrons: Cox, Abbitt, Cline, Landes, Louderback, McQuigg, Orrock,
Saxman, Scott, E.T., Stump, Weatherholtz and Wright;
Senate Patrons: Hanger and Obenshain
Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2031 Dams; authorizing localities to map inundation zones for those areas that might be threatened. [AGENCY BILL]

Authorizes localities to map inundation zones for those areas that may be threatened by a break in a dam, and encourages localities to incorporate this information into their zoning and subdivision ordinances. The bill also authorizes the Director of the Department of Conservation and Recreation to award grants to assist with mapping and digitization of dam break inundation zones.

House Patron: Miles

Status: Reported from House Agriculture, Chesapeake and Natural Resources and
Read first time

HB 2289 Income tax, state and corporate; credit for agricultural best management practices.

Increases the current maximum individual and corporate income tax credit from 25 percent to 30 percent of the first \$70,000 of the cost of implementing agricultural best management practices (i.e. from \$17,500 to \$21,000). The bill also creates new individual and corporate income tax credits equivalent to 50 percent of the first \$70,000 (or \$35,000) of the cost of implementing an agricultural best management practice that directly establishes actively growing vegetative cover on crop fields throughout the entire calendar year. Both credits cannot be taken for the same costs.

House Patrons: Lingamfelter and Athey

Status: House: Assigned to Finance sub-committee: #1

HB 2290 Soil Quality Improvement, Commission; created, report.

Establishes a 21-member Commission on Soil Quality Improvement. The purpose of the Commission is to evaluate the potential for adopting soil quality improvement approaches designed to address agricultural nonpoint source pollution control measures. Among the Commissions duties are to (i) evaluate the degree to which various approaches to improve soil quality will enable Virginia to cost-effectively meet water quality goals while improving the overall competitiveness of agriculture and agribusiness in the Commonwealth, (ii) recommend policies to the General Assembly to achieve soil improvements, and (iii) develop outreach programs to inform farmers on the environmental and economic benefits of adopting practices that improve soil quality.

House Patrons: Lingamfelter and Bryant

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2365 Stormwater management program; updates for Dept. of Conservation & Recreation's authorities. [AGENCY BILL]

Updates the Department of Conservation and Recreation's stormwater management program authorities including: (i) exemptions to the Administrative Process Act for issuing permits through a federally delegated program, (ii) changing the timing of the terms for the three at-large members of the Soil and Water Conservation Board, (iii) creating new reporting requirements for local plan-approving authorities, and (iv) authorizing the Soil and Water Conservation Board to establish a statewide permit fee schedule for stormwater management related to municipal separate storm sewer system permits. These changes are necessitated to clarify language related to the 2004 Stormwater Management Act consolidation.

House Patron: Bryant

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2378 Local Wetlands Board; allows members to hear cases relating to Chesapeake Bay Preservation ordinance.

Allows members of a local board that hears cases relating to the locally adopted Chesapeake Bay Preservation Act ordinance to also serve on a local wetlands board. Currently, there is a prohibition on members of the wetlands board holding a public office in the county or city. However, an exception exists that allows members of some bodies such as the local planning and zoning commissions, and the board of zoning appeals to also serve on the local wetlands board. House Patron: Rapp

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2464 Stream channel restoration & relocation projects; exempt certain from requirements.

Provides a definition of natural channel design concepts and exempts stream restoration and relocation projects that incorporate these concepts from any flow rate capacity and velocity requirements for channels that are in the Erosion and Sediment Control Law regulations.

House Patron: Rust

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2616 Dams; right of entry for inspection. [AGENCY BILL]

Authorizes the Soil and Water Conservation Board or its designees (DCR dam safety staff) to have the right to enter property to carry out its responsibilities under the Dam Safety law. If denied, the bill authorizes the right to apply to a local magistrate to enter the property. The bill removes language that would require the magistrate to find probable cause to believe that there is a dam that is not known to be safe.

House Patron: Orrock

Status: Referred to House Courts of Justice

HB 2691 and SB 1268 Fertilizers; all products to include labels with application directions.

Requires that fertilizer sold in packages of 50 pounds or less for general household lawn and garden use include a label with directions for proper fertilizer use and precautionary statements to educate users.

House Patron: Pollard

Senate Patron: Ticer

HB 2691 Status: Referred to House Agriculture, Chesapeake and Natural Resources

SB 1268 Status: Referred to Senate Agriculture, Conservation and Natural Resources

HJ 687 DCR to study establishing a state park in Henry County.

Requests DCR to study the feasibility of establishing a state park along the South Mayo and North Mayo Rivers in Henry County.

Patron: Armstrong

Status: Referred to House Rules

SB 1056 Chesapeake Bay Preservation Act expansion.

Expands the boundaries of the Chesapeake Bay Preservation Act to include the entire watershed of the Chesapeake Bay, not just eastern Virginia ("Tidewater").

The bill also includes provisions to formalize in statute the merger of the Chesapeake Bay Local Assistance Department and DCR. Senate Patron: Wagner
Status Referred to Senate Agriculture, Conservation and Natural Resources

SB 1103 Chesapeake Bay Local Assistance Department; merger into DCR.

[AGENCY BILL]

Merges the Chesapeake Bay Local Assistance Department and transfers responsibility for administration of the Chesapeake Bay Preservation Act to DCR. The bill, which is a formality, reflects language in the 2004 Appropriation Act that eliminated CBLAD as a separate agency and transferred its responsibilities to DCR. The Chesapeake Bay Local Assistance Board continues as the policy board for administration of the Preservation Act.

Senate Patron: Whipple

Status Referred to Senate Agriculture, Conservation and Natural Resources

SB 1277 Agricultural and forestal exemption to the Erosion and Sediment Control Act.

Defines what constitutes agricultural and improved pasture under the Erosion and Sediment Control Act. Tries to clarify what qualifies for an exemption under the Erosion and Sediment Control Law.

Senate Patron: Bolling

Status: Referred to Senate Agriculture, Conservation and Natural Resources

SB 1141 Foundation for Natural Resources; created, report.

Creates the Foundation for Virginia's Natural Resources to develop and encourage the nonregulatory conservation programs within the agencies of the Secretariats of Natural Resources and Agriculture and Forestry and to foster collaboration and partnerships among businesses, communities, and the Commonwealth's environmental enhancement programs.

Senate Patrons: Hanger, Quayle and Rerras;

House Patrons: Cosgrove, Lingamfelter, Plum and Pollard

Status: Referred to Senate Agriculture, Conservation and Natural Resources

HB 2680 Water Quality Improvement Fund; changes criteria for prioritizing requests for funding.

Changes several of the criteria for prioritizing requests for funding from the Water Quality Improvement Fund. The bill removes the criterion that places a priority on the issuance of grants from the Fund for projects that exceed state or federal water quality requirements. The purpose of eliminating this condition regarding the awarding of grants is to ensure that grants may be awarded to assist wastewater treatment plants in meeting the new permit requirements that have been proposed by the State Water Control Board. The bill requires the Secretary of Natural Resources to include in among the criteria used for prioritizing funding requests incentives for projects that are developed pursuant to the Public-Private Education Facilities and Infrastructure Act. The bill also establishes a formula for funding biological nutrient removal facilities and technologies using a sliding scale that is based upon the percentage of median household income that is expended for annual sewage charges within a given locality.

House Patron: Lingamfelter

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2694 and SB 1240 Clean Streams Act; created.

Requires localities to assess residences connected to a municipal sewer system, septic system, or other wastewater treatment system \$52 per year, and industrial facilities connected to a municipal sewer system \$1,200 per year. Localities are to develop criteria to exempt persons who can demonstrate financial hardship. The money collected is deposited into the Water Quality Improvement Fund and is to be disbursed for the design and installation of state-of-the-art nutrient removal technology and for agricultural best management practices. Each locality can withhold up to \$50,000 or three percent of the money due to cover their administrative costs. The bill creates the 10-member Virginia Clean Streams Advisory Commission. The Commission's purpose is to review, comment, and advise the Departments of Environmental Quality and Conservation and Recreation on the implementation of the Virginia Clean Streams Act.

HB 2694 Patrons: Pollard and Eisenberg

SB 1240 Patron: Whipple

Status: Referred to House Agriculture, Chesapeake and Natural Resources

Status: Referred to Senate Agriculture, Conservation and Natural Resources

HB 2696 Water Quality Improvement Fund; requires moneys for financing cost of nutrient removal facilities.

Requires that at least 80 percent of the moneys in the Water Quality Improvement Fund be awarded in grants for the financing of the cost of design and installation of biological nutrient removal facilities or other point source nutrient removal technologies until such time when Virginia's surface waters meet applicable water quality criteria. Historically, moneys in the Fund have been allocated almost equally between point sources of pollution and nonpoint sources of pollution. Means nonpoint sources would receive no more than 20 percent.

House Patron: Pollard

Status: Referred to House Agriculture, Chesapeake and Natural Resources

HB 2777 and SB 1235 WQIA Capitalizing the Restricted Use Fund.

Establishes the Water Quality Improvement Restricted Use Fund. The moneys in the Fund are to be used to reduce nitrogen and phosphorous discharges from municipal sewage systems and agricultural land, with any remaining funds used to ensure that surface and ground waters meet water quality criteria and standards. The fund will be capitalized by dedicating one-twelfth of the net revenue generated from the two percent sales and use tax, in an amount up to \$160 million annually, to the Fund. A 10-member Water Quality Improvement Restricted Use Advisory Commission is created to review, comment, and advise the Departments of Environmental Quality and Conservation and Recreation on the disbursement and use of moneys in this new Fund.

HB 2777 Patrons: Louderback, Dillard, Janis, Jones, S.C., Lewis, May, McDonnell, Melvin, Moran, Morgan, O'Bannon, Oder, Shannon, Ware, R.L., Watts and Welch

SB 1235 Patrons: Quayle and Rerras

Status: Referred to House Appropriations sub-committee on Natural Resources

Status: Referred to Senate Finance

SB 1142 Recordation tax; collection to be transferred to Water Quality Improvement Fund.

Provides that \$20 million of recordation taxes collected each year shall be transferred to the Virginia Water Quality Improvement Fund. The Comptroller shall credit the \$20 million to the Fund after allocations have been made for the \$40 million deposit to the U.S. Route 58 Corridor Development Fund and the \$40 million distribution to counties and cities, as currently required under law.

Senate Patrons: Hanger and Rerras;

House Patrons: Cosgrove and Pollard

Status: Referred to Senate Finance

Attachment #2

**Department of Conservation and Recreation
Report to the VSWC Board on January 21, 2005**

DCR/SWCD Grant Agreements for FY05 Operational Funding:

DCR has returned to a quarterly schedule for Operational Grant financial disbursements to SWCDs. During January '05 districts are receiving funds for January, February and March. The final disbursement will occur in April for the remaining 3 months of the fiscal year.

Every SWCD has signed/returned their grant agreement with DCR for FY05 Operational Funding. This fiscal year (FY05), total operational funding for all districts is \$4,052,240, which reflects a slight increase above FY04 operational funding that totaled \$3,932,240. However, FY05 funding is still roughly 6% less than the peak funding level experienced by districts in FY01 (\$4,301,000).

Agricultural BMP Cost-Share Program:

DCR has returned to a quarterly schedule for the Agricultural BMP Incentive Program Agreement financial disbursements to SWCDs. During January '05 districts are receiving funds for January, February and March. The final disbursement will occur in April for the remaining 3 months of the fiscal year.

Districts continue to approve BMP applications as they move towards issuance of 90% of their available BMP funding this fiscal year and address other aspects of each DCR/SWCD agreement. DCR's Conservation District Coordinators will be working with their districts to determine SWCD capacity to expend remaining cost-share dollars and will shift unobligated funds to districts with unmet needs. Staff will continue to address specific program issues and work with several subcommittees of the Agricultural BMP Implementation Advisory Committee on topics that include cover crops and small acreage grazing systems.

Conservation Reserve Enhancement Program (CREP):

A Southern Rivers Addendum authorizing an additional 5,000 acres of CREP enrollment is now in place and enrollment continues in those areas of the state.

SWCDs within the Chesapeake Bay watershed are now receiving compensation to enroll and service CREP participants. Funds for this compensation originate from the contributions of taxpayers willing to support Chesapeake Bay Restoration activities. A total of \$230,000 is available to SWCDs. (\$50 per enrolled participant recruited by an SWCD and \$10 per acre for planning and technical assistance)

Procedures for administratively managing landowner incentive bonuses for CREP buffers 100' or wider (Chesapeake Bay basin only), and wetlands restoration (statewide) continue to be developed for automated access and participation "on line". Automated

signup by program participants and guidance for partner agencies is planned early in 2005.

SWCD Audit Services:

The accounting firm of Robinson, Farmer, Cox Associates (RFCA) completed audits on 26 SWCDs. A closeout discussion between the auditors and DCR staff was held on December 10th, 2004. District audit reports and a summary of findings will be provided to districts during upcoming SWCD monthly meetings. DCR aims to continue a two-year audit cycle for all SWCDs. Previously the audit schedule provided a three-year cycle of audits. The two year cycle will better protect districts and identify any problems in a more timely manner.

Stormwater Management:

EPA has approved the program authorization package for transfer of the permitting program from DEQ to DCR effective January 29. The Compliance/Enforcement Manager has been hired and will report on January 25, 2005. She is Anne Crosier and currently works in enforcement in DEQ's Woodbridge Office. Recruitment continues for the remaining central and field positions. Still to come is a full public participation process to develop the regulations governing local program authorization.

Nutrient Management Regulatory Actions:

DCR has completed the development of a formal regulatory proposal and submitted it to the Department of Planning and Budget for their analysis. We anticipate the release for public comment by March. Major areas of change being considered include criteria for addressing phosphorus in nutrient management planning and revisions to recommendations for timing of nitrogen applications.

Meeting of Conservation Partners focusing on Employee Development

Leaders and key staff from DCR, NRCS, VASWCD and the Virginia Conservation District Employee Association will meet on January 27th, 2005 to discuss the challenges facing the partners with implementation of state and federal programs and the importance of having a well-trained partner work force. The group will consider continuation of the most effective aspects of past employee development initiatives which include delivery of three "core" training courses and a regular schedule of programmatic, engineering and regionally identified training opportunities for partner agency staff.

SWCD Director Orientation

The primary focus for orientation of newly appointed SWCD directors, will be on the 47 VCE agents that were appointed to serve 4-year terms on SWCD boards effective January 1, 2005. A small planning group met on January 14th to begin planning what will likely be two essentially identical training programs that will be delivered in an eastern and a western Virginia location for VCE agents. Further details of plans will be resolved and shared in coming weeks.

Attachment #3

<p style="text-align: center;">NRCS Report Virginia Soil and Water Conservation Board January 21, 2005 Richmond, Virginia</p>

Conservation Security Program (CSP)

Program development activities are moving ahead in the three selected watersheds of the Lower Rappahannock, Mattaponi, and South Fork of the Shenandoah Rivers. Announcement ceremonies have been held in each watershed to alert local producers, SWCDs, and the news media of the program and their watershed's selection for participation.

Staff is currently developing the minimum eligibility requirements, practice lists and enhancement payment rate structures for the three-tiered participation approach being used with this program.

Local meetings are planned in each watershed starting next week. These will run through the middle of February in order to introduce producers to the program and explain the documentation they will need to supply when enrolling. A self-assessment will be completed by each producer to determine their eligibility prior to signup. This will be verified at signup as the conservation plan is updated and contract produced.

Signup is expected this winter (probably March) when the final rule is published in the Federal Register.

Personnel

John Myers has been selected as State Resource Conservationist, effective January 23, 2005.